R4105-3
3/1/89 A

STATISTICAL BULLETIN

1717 9000001 0000
Statistical Reference Index
Acquisitions
4520 East West Highway - Suite 800
Bethesda, MD 20814

Highlights

- CONSUMER DEMAND BUILDS A NEW HEAD OF STEAM, AS INCOME GROWTH AND ATTITUDES STRENGTHEN; CAR SALES STILL RISING, BUT NOT HOME SALES.
- TIGHT LABOR MARKETS CONTINUE TO FUEL INFLATION CONCERN.
- VERY STRONG INDUSTRIAL GROWTH PERSISTS DESPITE SLOWDOWN IN EXPORTS AND NEW ORDERS.
- ON THE INFLATION WATCH: PRESSURE BUILDS BUT THE PROGNOSIS REMAINS: IF THE ECONOMY COOLS IN 1989, SO WILL INFLATION WORRIES.
- OUTLOOK • NO CHANGE IN THE CONSENSUS: THE FIRST QUARTER OF 1989 WILL BE THE LAST QUARTER OF STRONG GROWTH. MODERATION THEREAFTER.

Volume 22, No. 1, January, 1989

CONTENTS

Comment	2-3
Status of Leading Economic Indicators	4
Diffusion Indexes	5
Business Executives' Expectations	5
Economic Forecasts	6-7
Key Determinants of Profit Margins	8
Selected International Comparisons	9
Help-wanted Advertising Indexes	10
Consumer Confidence and Expectations	11
Capital Appropriations	11
Automobile Sales	12

The Conference Board

THE CONFERENCE BOARD'S STATISTICAL BULLETIN COMMENTARY

OVERVIEW: The U.S. economy may now be too strong for its own good. There is a solid case for a surge in inflation, if the growth rate does not slow. Food and raw material prices, and in particular, labor costs are all on the brink of rising. For capacity-tight industry to continue to expand sharply past the first few months of 1989 would run the risk of setting off major hikes in those prices.

In good measure, that reasoning explains why the Federal Reserve repeatedly raised interest rates in the second half of 1988. But the economy has not slowed. In fact, consumer demand may be catching yet a third wind. Should rates be jacked up further? Higher rates have already helped to generate a rally in the dollar at a time when the trade deficit has stopped improving. Another round of increases would make the dollar even stronger, but will the economy slow without them? The **Economic Forecasts** call for slowing growth, despite the stamina already shown by this long expansion, which has defied the odds repeatedly this decade.

DOMESTIC MARKET MONITOR

Sustained hiring, in both goods and services industries, continued through the end of 1988. The data also suggest, however, that tight labor market conditions eased somewhat. The average hourly pay rate, which rose sharply in August and September, has barely budged since. That partly reflects job growth in relatively low-paying fields. Indeed, one of the ironies of the very strong labor market is that adult white male job growth has been minimal in recent months. But the tailing off of hourly pay increases also suggests that employers are still finding qualified job applicants willing to take the salaries offered. Thus, the labor market is not yet forcing employers to bid against each other in escalating rounds.

Had the average hourly pay rate gone up in December, pressure for even higher interest rates might have intensified. But there is still concern about prolonged labor-market tightness feeding inflation. The 0.8% rise in service jobs, versus three months earlier, was essentially no change in trend. In contrast, the 1% jump in goods-producing jobs was substantially faster, underlining the strength in industrial conditions right now.

The consensus of the **Economic Forecasts** is for a rise in the unemployment rate to about 5.6% by the third quarter of 1989. The Conference Board's **Help-wanted Index**, a measure of labor demand remains flat, and initial unemployment claims have stopped falling. The latter bears further watching, as it could reflect a cooling off in industrial output.

INCOME: The employment gains of recent months are causing outsized gains in wage income. Wages in commodity-producing industry were 2.3% higher in November than three months earlier. Only a few months ago, it looked like wage growth was beginning to slow. Wages in the "other industry" category were 2.6% higher. Job gains in December were only a little lower than in November, indicating that major income gains probably continued that month.

Nonwage income growth was even stronger than the rise in wage income over the last three months. Rental income surged and shop-keepers' and interest income, as well as dividends, rose sharply. Consumers not only had more purchasing power on hand, but also resorted to buying on credit. Demand for installment loans shot up in October and November, after a long period of subdued activity. There was a rise in auto loans, reflecting a modest pickup in sales. But the real story was renewed use of credit cards.

In November, fatter pay checks and reports of continued strong employment gains caused consumer attitudes to return to the very optimistic levels of last summer. The Conference Board's **Consumer Confidence Index** rose to 119.8 (1985 = 100) in December, the same level as in August. The **Expectations Component**, however, stood at 105.3 in December versus 109.4 in August. The latter indicates that even though consumers rank current conditions as "as good as it gets," they anticipate some cooling off within the next six months, as do the professional forecasters.

SPENDING: Given the pickup in consumer income, attitudes, and willingness to borrow, it is clear that buying is now more bullish. Retail sales, except cars, were 1.7% higher in December than three months earlier and may have risen even more strongly in December. The question is: How long will consumer spending stay this strong? Forecasters, as well as consumers, expect it to dissipate somewhat in early 1989.

The strongest area of consumer spending right now is car buying. In December, new domestic **Automobile Sales** were at a seasonally adjusted 8.2 million annual rate, which only brings the sales volume back to August's level. With auto loan rates moving higher, that selling pace is unlikely to be sustained in early 1989.

CONSTRUCTION: One area where the impact of rising interest rates is being felt is home buying, which, like car buying, had been recovering in the Fall of 1988. Sales of new single-family homes slumped in November, down to the lowest level since winter, 1988. With mortgage rates rising, recovery does not appear likely.

Ken Goldstein, Editor

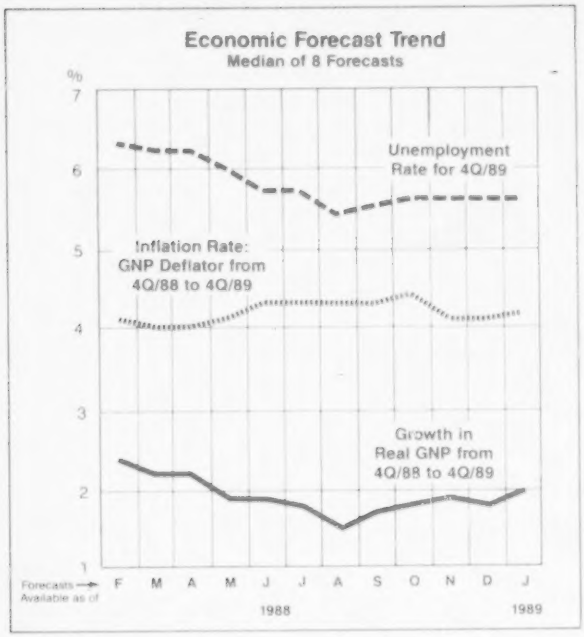
STATISTICAL BULLETIN (ISSN 0010-5554), published monthly by The Conference Board, Inc., 845 Third Avenue, New York, N.Y. 10022. Printed in New York, N.Y. Second-class postage paid at New York, N.Y. POSTMASTER: Send address changes to The Conference Board, 845 Third Avenue, New York, N.Y. 10022

© 1989 The Conference Board, Inc.
845 Third Avenue
New York, N.Y. 10022

The Conference Board, Inc.
Avenue Louise, 207-Bte 5
B-1050 Brussels, Belgium

The Conference Board, Inc.
1755 Massachusetts Avenue, N.W., Suite 312
Washington, D.C. 20036

The Conference Board of Canada
255 Smyth Road
Ottawa, Ontario, K1H-8M7



Nonresidential construction also faltered in November, but may reverse. In November, office and commercial building, which had been rising, fell, while industrial building rose. Construction employment and hours worked increased in December; added workers were probably put on nonresidential construction crews.

PRODUCTION: The strength of the economy is now centered in rising industrial activity, but there are signs that there may be slower growth in the months ahead. Industrial output was 1% higher in November than three months ago, despite a 0.3% decline in defense- and space-related output. Strong consumer income and spending convinced manufacturers to step up the production of consumer durables by a substantial 2.5 percent. The output of business equipment was 0.7% higher.

The rise in jobs and hours worked in manufacturing in December indicate that production schedules remain full steam ahead. But with capacity utilization rates now in the 83%-85% range, and rising, it is feared that production requirements will outstrip productive capacity, and, in the process, put upward pressure on prices—unless the pace cools.

In contrast, the most recent Conference Board survey on business sentiment showed that executives expect their industries and the economy in general to weaken over the first half of 1989. Other numbers also point to some cooling off over the next few months. New orders for durables, except for defense-related materiel, were 0.6% lower in November than three months earlier. Moreover, the ratio of new orders to shipments, one measure of how tight conditions are, declined fairly sharply.

INVENTORY: A slower rise in industrial production would come at a time of relatively lean inventory. Despite steady increases in stocks, the Inventory-to-Sales ratios have not changed very much over the last two years. The classic scenario of slower sales, leading to unintended inventory, then, is unlikely to develop.

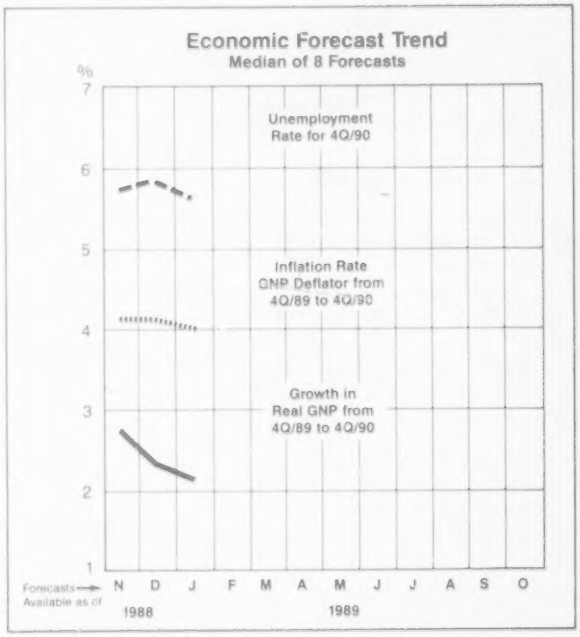
INFLATION: The **Economic Forecasts** continue to suggest that growth will slow enough, and in time, to keep the lid on inflation. On this front, the good news includes weaker gains in average hourly pay and the absence of a strong increase in oil prices in the wake of the latest OPEC agreement. The bad news includes the possibility that both situations could turn around. Moreover, other commodity prices have started to rise: After falling 5.3% in November, raw prices for metals rose 8.9% in December. Farm prices rose 0.7% in both those months. Wholesale prices for crude materials, except food and energy, rose 1% in December.

INTERNATIONAL MONITOR

The domestic economy is no longer benefiting from improving trade conditions. Imports, for example, are no longer declining. In fact, imports of manufacturing goods rose 7.4% in October, even though purchases of aircraft and parts fell sharply. Higher imports of telecommunications and other office equipment boosted imports and no doubt held down the rise in new orders for domestic durable goods. Moreover, with consumer spending on the rise again, it is likely that import growth continued in November and, perhaps, in December as well.

The other side of the coin is no rise in manufactured goods exports in October, even with a whopping rise in foreign purchases of aircraft and parts. Even if exports began to rise again in November, the data suggest that earlier outsized gains in exports are over for now. That means less stimulus for domestic producers.

Ken Goldstein
January 12, 1989

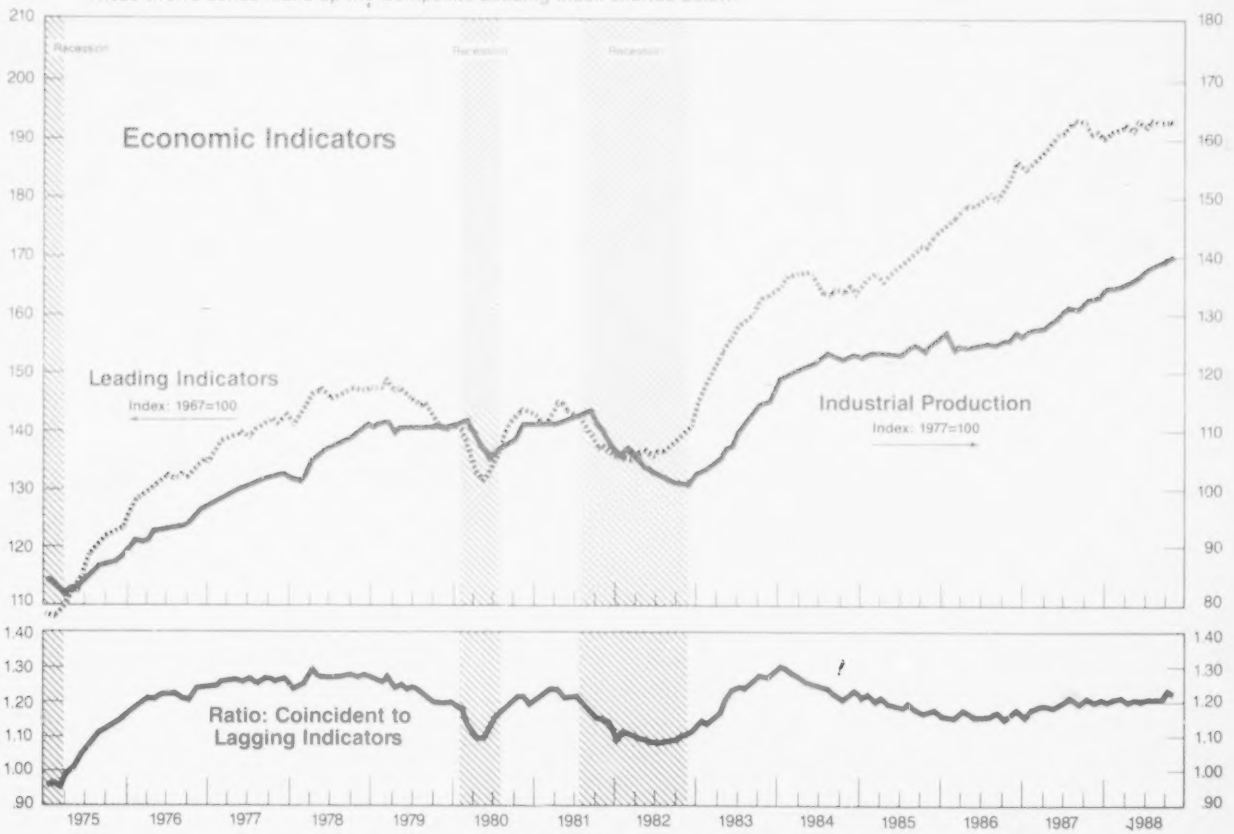


STATUS OF LEADING ECONOMIC INDICATORS

		Rising	Level	Declining	Change over Latest Three Months	Change from Year-Ago
		(Classification based on movement of series over several months)				
Leading Economic Indicators	Nov.		X		0.1%	1.6%
Capital Investment Commitments						
*Contracts and orders, plant & equipment (deflated)	Nov.			X	- 9.9%	11.6%
New orders, nondefense capital goods (deflated)	Nov.			X	- 9.3%	14.7%
*New business formation	Nov.	X			2.4%	3.3%
*Housing permits	Nov.	X			3.6%	4.0%
Inventory Investment and Purchasing						
*New orders, consumer goods & materials (deflated)	Nov.	X			1.6%	3.7%
*Change in inventory, on hand & order (deflated)	Oct.	X			32.4%	-44.6%
Purchasing manager's buying policy	Dec.	X			2.0%	4.1%
*Vendor performance, reported slower deliveries	Nov.			X	-12.5%	-15.2%
Industrial raw materials prices	Dec.	X			3.3%	8.0%
*Change in sensitive material prices	Nov.			X	-125.0%	-112.6%
Sensitive Financial Flows						
*Money balance (M2 deflated)	Nov.		X		- 0.3%	1.1%
Change in business loans	Nov.		X		80.7%	309.0%
*Change in credit outstanding	Oct.	X			0.0%	-14.3%
Change in consumer installment debt	Nov.		X		-15.9%	149.0%
Profitability						
Total corporate profits, after tax (deflated)	3rd Q.			X	- 0.7%	6.7%
*Common stock prices	Nov.			X	2.8%	10.6%
Marginal Employment Adjustments						
*Average workweek, mfg.	Dec.			X	- 0.2hr	0.0hr
*Initial unemployment claims (inverted)	Nov.			X	2.3%	0.7%

Note: For a description of the Leading Indicators Composite Index see Bureau of Economic Analysis, *Handbook of Cyclical Indicators*, (Washington, D.C.: Government Printing Office) May, 1977.

*These twelve series make up the Composite Leading Index charted below.



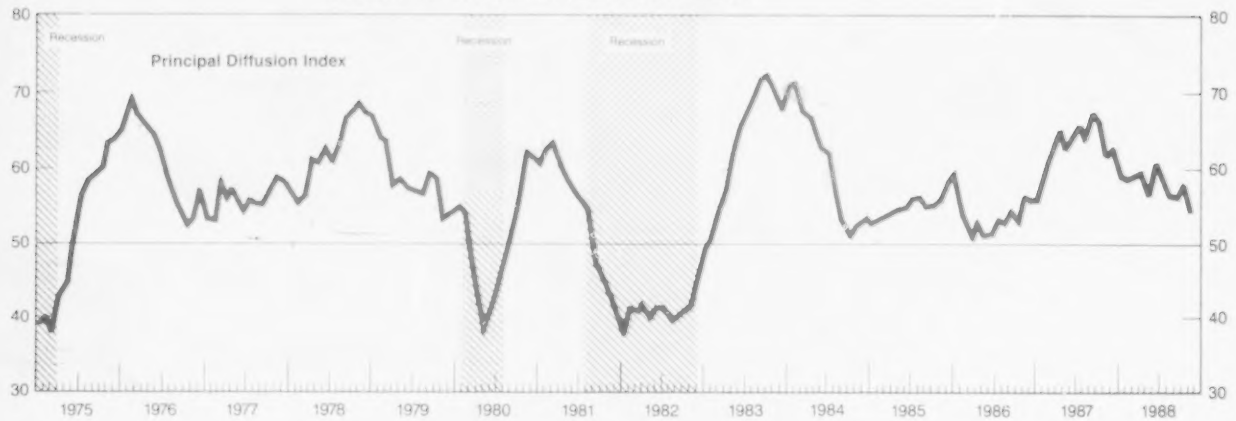
CONFERENCE BOARD DIFFUSION INDEXES

DIFFUSION INDEXES	1987 Nov.	1988 Aug.	Sept.	Oct.	Nov.(e)
Principal Diffusion Index	60.3r	56.3r	56.1r	57.9r	54.6
Auxillary Diffusion Index	36.5r	40.9r	49.2r	56.0r	39.3
Industrial Group	62.7r	54.5r	55.1r	57.9r	53.1
Nonindustrial Group	57.9r	58.1r	57.1r	57.9r	56.2
Sense of Diffusion	1	1	1	1	1
SUBGROUP DIFFUSION INDEXES					
Industrial Subgroups					
Production	69.2	58.1	59.4r	60.3r	61.1
Labor	61.3r	53.8r	57.6r	62.6r	55.1
Miscellaneous	56.4	50.6	42.3	42.9	35.9
Nonindustrial Subgroups					
Prices	63.5	42.9	43.6	44.2	37.2
Consumer	59.8	68.2	63.2	69.0	68.8
Building	44.9	55.8	55.1r	55.1r	54.5
Miscellaneous	61.1r	59.8r	61.1r	57.7r	57.3

Note: The principal diffusion index reflects the frequency of rises in 20 component series over the 12-month period ending in the month indicated. The index is based on the direction of change, not the magnitude of change, from month to month. Each component series carries equal weight in the index, but the direction of recent changes is weighted more heavily than are earlier changes. If, for example, 10 component series rose and 10 declined in each of the last 12 months, the current index would be higher than 50 because the data over the latest six-month period are weighted more heavily than data from the earlier six-month period. On the other hand, if all 20 series rose in each of the last six months, after declining in each of the prior six months, weighting would make the current index considerably greater than 50. See Morton Ehrlich, "Using The Conference Board's Diffusion Indexes," The Conference Board *RECORD*, July, 1966.

e-estimate r-revised

The Conference Board Diffusion Index



BUSINESS EXECUTIVES' EXPECTATIONS

	1985	*1986*				*1987*				*1988*		
	Nov.	*Feb.*	*May*	*Aug.*	*Nov.*	*Feb.*	*May*	*Aug.*	*Nov.*	*Feb.*	*May*	*Aug.*
	Score (scale 0-100)											
Measure of Business Confidence	55	61	61	50	51	55	55	59	47	51	58	56
1. Appraisal of Current Economic Conditions Compared With Six Months Ago	53	63	61	44	50	56	55	62	50	49	64	65
2. Expectations for Economy, Six Months Ahead	56	62	62	52	51	54	53	56	43	50	54	51
3. Expectations for Own Industry, Six Months Ahead	56	59	60	54	53	56	56	58	48	54	55	53

The Measure of Business Confidence is the average of the scores for the three primary questions in the survey. Respondents have five reply options for each question; a score for each question is determined by assigning the following values to the replies and calculating the average value of the replies to the question: Substantially Better—100; Moderately Better—75; Same—50; Moderately Worse—25; Substantially Worse—0. The score for each question,and the overall Measure of Business Confidence, thus can range from 0 to 100.

ECONOMIC FORECASTS

			U.C.L.A.[1] Business Forecasting Project		Merrill Lynch[1] Economics Inc.		E.I. duPont[1] de Nemours & Co.		Georgia State University[1]	
Date of Forecast			*Dec., 1988*		*Dec., 1988*		*Dec., 1988*		*Dec., 1988*	
			Level	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*
Gross National Product Billions of Current Dollars										
Actual	**1988**	**III**	**$4909.0**	**7.3%**	**$4909.0**	**7.3%**	**$4909.0**	**7.3%**	**$4909.0**	**7.3%**
Forecast	1988	IV	4986.1	6.4	4990.6	6.8	4987.5	6.6	4985.1	6.3
	1989	I	5082.6	8.0	5112.5	10.1	5080.3	6.0	5097.5	9.3
		II	5147.7	5.2	5198.8	6.9	5135.8	6.1	5183.9	7.0
		III	5192.7	3.5	5250.5	4.0	5210.4	5.9	5272.1	7.0
		IV	5240.8	3.8	5296.7	3.6	5285.5	5.9	5351.2	6.1
	1990	I	5296.0	4.3	5373.7	5.9	5358.1	5.6	5424.2	5.6
		II	5364.7	5.3			5442.0	6.4	5472.6	3.6
		III	5461.5	7.4			5526.4	6.3	5535.0	4.7
		IV	5566.2	7.9			5615.2	6.6	5632.7	7.2
	1988	Annual	4860.9	7.4	4862.0	7.4	4861.2	7.4	4860.6	7.4
	1989	Annual	5166.0	6.3	5214.6	7.3	5098.5	4.9	5226.2	7.5
	1990	Annual	5422.1	5.0			5485.4	7.6	5307.9	1.6
Gross National Product Billions of Constant (1982) Dollars										
Actual	**1988**	**III**	**$4009.4**	**2.5%**	**$4009.4**	**2.5**	**$4009.4**	**2.5%**	**$4009.4**	**2.5%**
Forecast	1988	IV	4033.9	2.5	4031.6	2.2	4038.5	2.9	4030.0	2.1
	1989	I	4080.1	4.7	4081.5	5.0	4058.0	1.9	4078.0	4.9
		II	4088.6	0.8	4099.3	1.8	4076.0	1.8	4104.4	2.6
		III	4078.4	-1.0	4095.7	-0.4	4093.0	1.7	4125.3	2.1
		IV	4075.0	-0.3	4090.0	-0.6	4110.0	1.7	4138.6	1.3
	1990	I	4071.4	-0.4	4103.5	1.3	4128.0	1.8	4143.8	0.5
		II	4085.4	1.4			4151.0	2.2	4130.3	-1.3
		III	4120.5	3.5			4174.0	2.2	4134.4	0.4
		IV	4161.5	4.0			4203.0	2.8	4163.1	2.8
	1988	Annual	3996.2	3.9	3995.6	3.9	3997.3	3.9	3995.2	3.9
	1989	Annual	4080.5	2.1	4091.6	2.4	4084.3	2.2	4111.6	2.9
	1990	Annual	4109.7	0.7			4164.0	2.0	4128.0	0.4
Gross National Product deflator Index, 1982 = 100										
Actual	**1988**	**III**	**122.4**	**4.7%**	**122.4**	**4.7%**	**122.4**	**4.7%**	**122.4**	**4.7%**
Forecast		IV	123.6	3.9	123.8	4.5	123.5	3.5	123.7	4.2
	1989	I	124.6	3.2	125.3	4.8	124.7	3.9	125.0	4.3
		II	125.9	4.4	126.8	5.1	126.0	4.2	126.3	4.2
		III	127.3	4.6	128.2	4.4	127.3	4.2	127.8	4.8
		IV	128.6	4.1	129.5	4.1	128.6	4.2	129.3	4.8
	1990	I	130.1	4.6	131.0	4.6	129.8	3.8	130.9	5.0
		II	131.3	3.9			131.1	4.1	132.5	5.0
		III	132.5	3.8			132.4	4.0	133.9	4.3
		IV	133.8	3.7			133.6	3.7	135.3	4.2
	1988	Annual	121.6	3.4	121.7	3.4	121.6	3.4	121.7	3.4
	1989	Annual	126.6	4.1	127.4	4.7	126.7	4.2	127.1	4.5
	1990	Annual	131.9	4.2			131.7	4.0	128.6	1.2
Unemployment Rate										
Actual	**1988**	**III**		**5.5%**		**5.5%**		**5.5%**		**5.5%**
Forecast		IV		5.3		5.4		5.4		5.3
	1989	I		5.2		5.4		5.5		5.2
		II		5.2		5.3		5.6		5.0
		III		5.3		5.6		5.6		4.9
		IV		5.5		5.9		5.7		5.0
	1990	I		5.8		6.2		5.7		5.0
		II		6.0				5.6		5.2
		III		6.1				5.5		5.4
		IV		6.1				5.5		5.7
	1988	Annual		5.5		5.5		5.5		5.5
	1989	Annual		5.3		5.6		5.6		5.0
	1990	Annual		6.0				5.6		5.3

Notes: [1]Based on revised (second revision) third quarter data.
[2]Based on revised third quarter data.

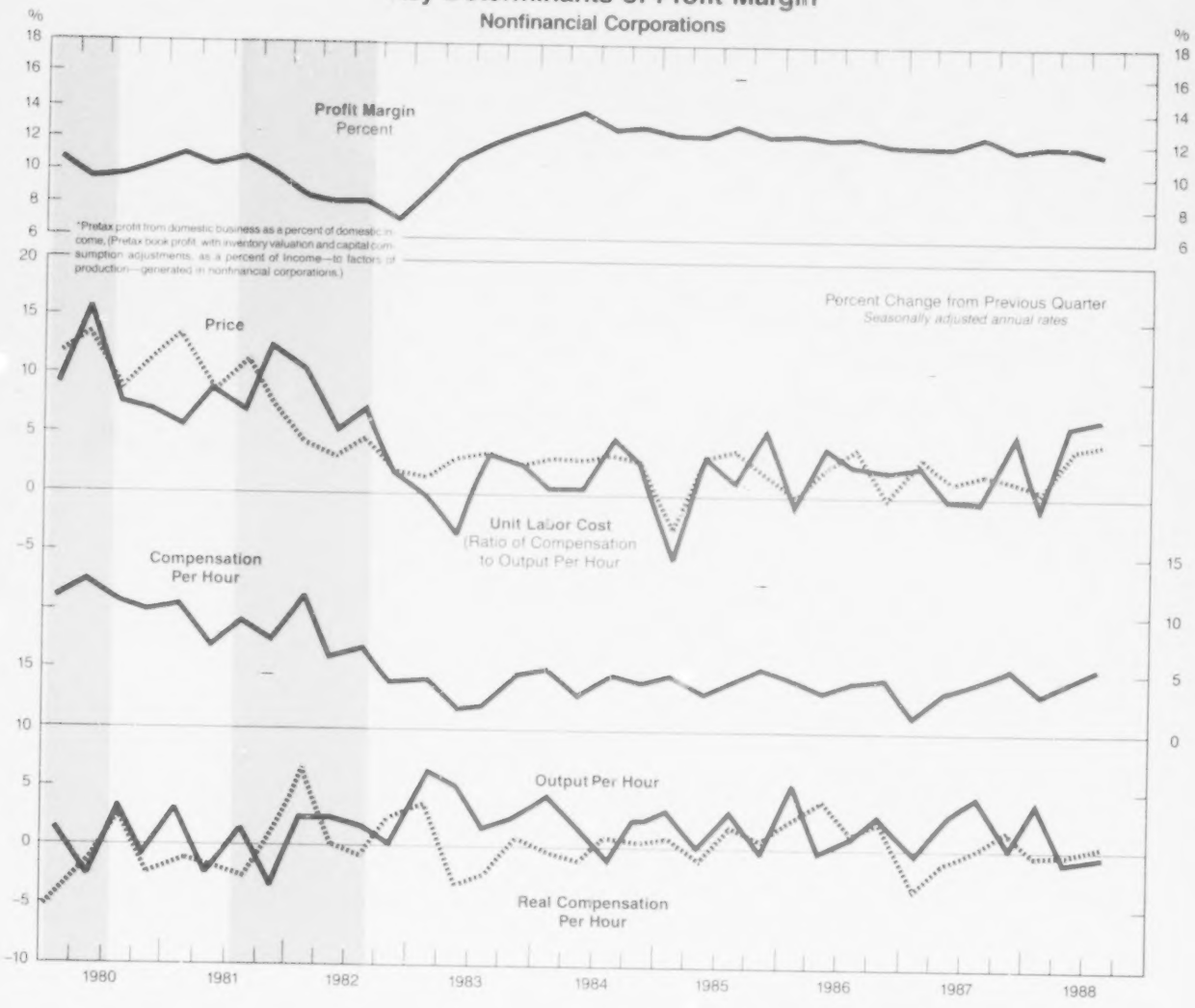
ECONOMIC FORECASTS (continued)

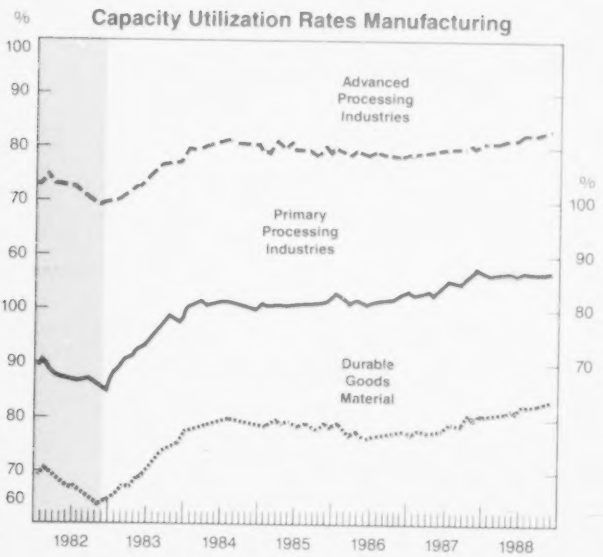
The Conference Board[2]		Laurence H. Meyer Associates, Inc.[1]		Data Resources Inc.[1]		Wharton E.F.A. Inc.[1]				
Nov., 1988		Dec., 1988		Dec., 1988		Dec., 1988		Date of Forecast		
Level	Percent Change	Level	Percent Change	Level	Percent Change	Level	Percent Change			
								Gross National Product Billions of Current Dollars		
		$4909.0	7.3%	$4909.0	7.3%	$4909.0	7.3%	III	1988	Actual
4988.0	6.6	4994.2	7.1	4994.5	7.2	4991.6	6.9	IV		Forecast
5120.0	11.0	5113.0	9.9	5092.4	8.1	5095.7	8.6	I	1989	
5195.0	6.0	5190.6	6.2	5146.2	4.3	5174.4	6.3	II		
5244.0	3.8	5259.0	5.4	5212.9	5.3	5253.8	6.3	III		
5280.0	2.8	5324.0	5.0	5286.2	5.7	5343.2	7.0	IV		
5327.0	3.6	5412.2	6.8	5363.0	5.9	5429.4	6.6	I	1990	
5400.0	5.6	5487.7	5.7	5441.4	6.0	5520.6	6.9	II		
5516.0	8.9	5565.1	5.8	5534.6	7.0	5616.9	7.2	III		
5613.0	7.2	5651.6	6.4	5637.7	7.7	5714.7	7.1	IV		
4861.4	7.4	4862.9	7.4	4863.0	7.4	4862.2	7.4	Annual	1988	
5209.8	7.2	5221.7	7.4	5184.4	6.6	5216.8	7.3	Annual	1989	
5464.0	4.9	5529.2	5.9	5494.2	6.0	5570.4	6.8	Annual	1990	
								Gross National Product Billions of Constant (1982) Dollars		
		$4009.4	2.5%	$4009.4	2.5%	$4009.4	2.5%	III	1988	Actual
4025.8	1.5	4030.3	2.1	4032.9	2.4	4035.6	2.6	IV		Forecast
4079.6	5.5	4081.9	5.2	4082.9	5.1	4074.2	3.9	I	1989	
4087.3	0.8	4102.9	2.1	4088.9	0.6	4093.2	1.9	II		
4074.4	-1.3	4122.4	1.9	4101.8	1.3	4113.1	2.0	III		
4055.3	-1.9	4142.2	1.9	4120.5	1.8	4136.4	2.3	IV		
4047.9	-0.7	4163.4	2.1	4134.6	1.4	4155.9	1.9	I	1990	
4060.2	1.2	4182.8	1.9	4155.2	2.0	4181.2	2.5	II		
4098.1	3.8	4203.5	2.0	4186.8	3.1	4207.5	2.5	III		
4118.1	2.0	4229.9	2.5	4223.7	3.6	4236.3	2.8	IV		
3994.5	3.8	3995.3	3.9	3995.9	3.9	3996.6	3.9	Annual	1988	
4074.2	2.0	4112.3	2.9	4098.5	2.6	4104.2	2.7	Annual	1989	
4081.1	0.2	4194.9	2.0	4175.1	1.9	4195.2	2.2	Annual	1990	
								Gross National Product deflator Index, 1982 = 100		
		122.4	4.7%	122.4	4.7%	122.4	4.7%	III	1988	Actual
123.9	5.0	123.9	4.9	123.8	4.7	123.7	4.2	IV		Forecast
125.5	5.3	125.3	4.4	124.7	2.9	125.1	4.5	I	1989	
127.1	5.2	126.5	4.1	125.9	3.7	126.4	4.4	II		
128.7	5.1	127.6	3.4	127.1	4.0	127.7	4.2	III		
130.2	4.7	128.5	3.0	128.3	3.8	129.2	4.6	IV		
131.6	4.4	130.0	4.6	129.7	4.5	130.6	4.6	I	1990	
133.0	4.3	131.2	3.8	131.0	3.9	132.0	4.3	II		
134.6	4.9	132.4	3.7	132.2	3.8	133.5	4.5	III		
136.3	5.2	133.6	3.7	133.5	3.9	134.9	4.3	IV		
121.7	3.4	121.7	3.4	121.7	3.4	121.6	3.4	Annual	1988	
127.9	5.1	127.0	4.3	126.5	3.9	127.1	4.5	Annual	1989	
133.9	4.7	131.8	3.8	131.6	4.0	132.8	4.5	Annual	1990	
								Unemployment Rate		
			5.5%		5.5%		5.5%	III	1988	Actual
	5.5%		5.3		5.3		5.4	IV		Forecast
	5.5		5.3		5.4		5.4	I	1989	
	5.6		5.3		5.5		5.5	II		
	5.9		5.3		5.6		5.6	III		
	6.3		5.3		5.6		5.7	IV		
	6.4		5.4		5.7		5.8	I	1990	
	6.3		5.5		5.8		5.8	II		
	6.0		5.5		5.7		5.9	III		
	5.8		5.6		5.7		5.8	IV		
	5.5		5.5		5.5		5.5	Annual	1988	
	5.8		5.3		5.5		5.6	Annual	1989	
	6.1		5.5		5.7		5.8	Annual	1990	

CBDB

ATTENTION DATA USERS: All data in this publication are available ONLINE in our statistical database, CBDB. For more information, contact Linette Waters at (212) 759-0900.

Key Determinants of Profit Margin

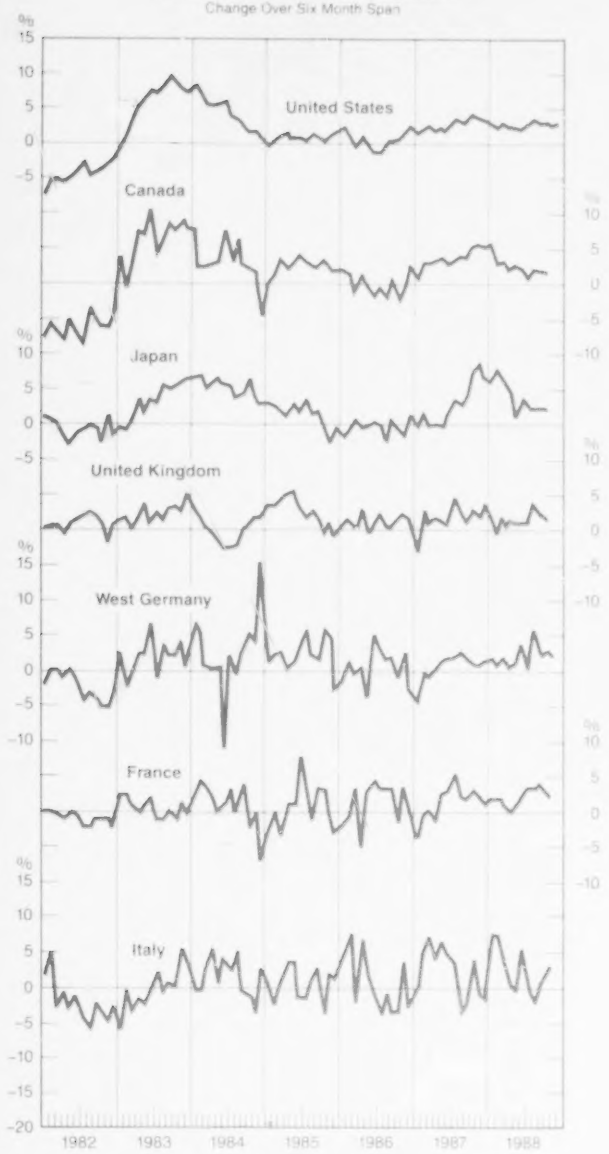




Selected International Comparisons

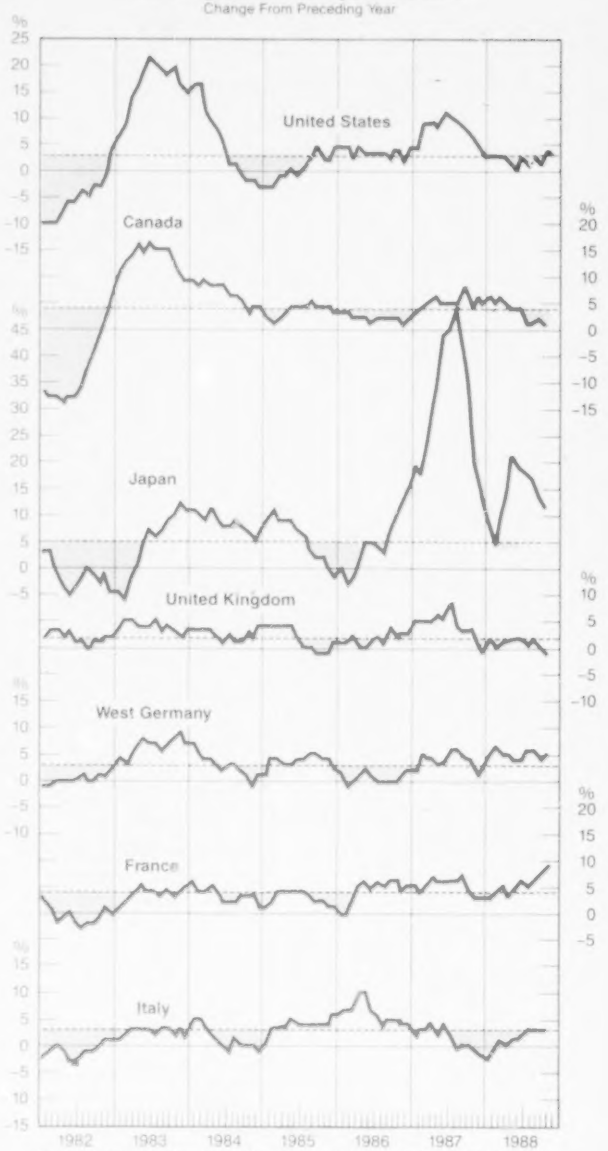
Industrial Production Indexes

Change Over Six Month Span



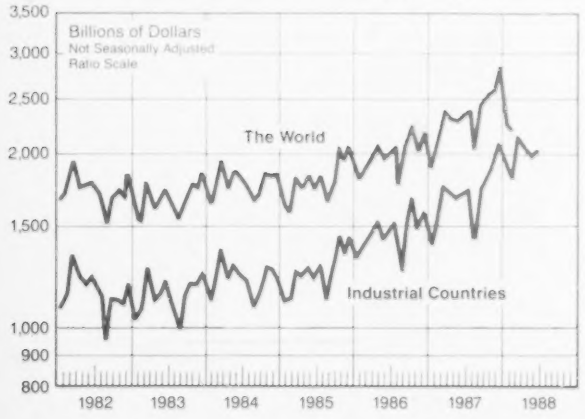
Leading Business Cycle Indexes

Change From Preceding Year

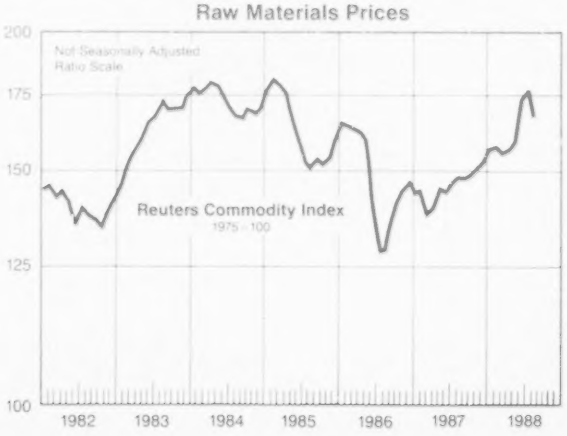


Source: Center for International Business Cycle Research, Columbia University

Merchandise Trade: Value of Exports



Raw Materials Prices



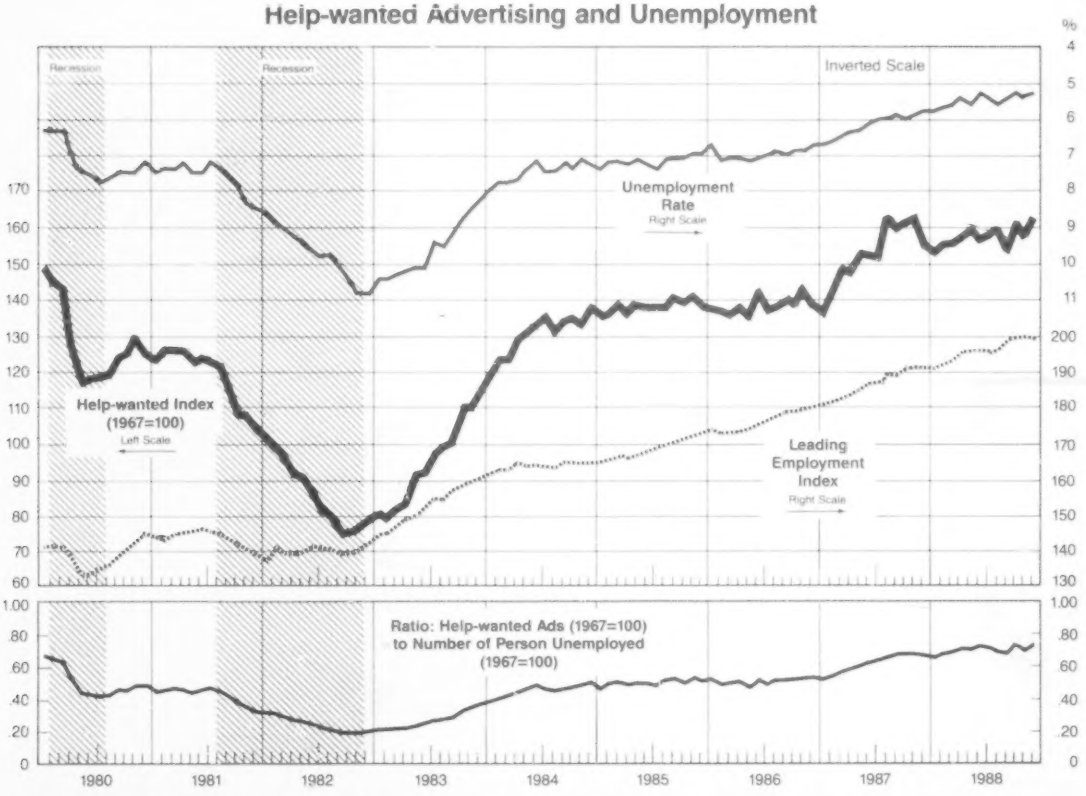
CONFERENCE BOARD HELP-WANTED ADVERTISING INDEX

Seasonally Adjusted Indexes, 1967 = 100

Locality	1988 Nov.	1988 Oct.	1988 Sept.	1987 Nov.
National Index	157	161r	153	163
New England	136	141	141	182
Boston	128	136	133	182
Hartford	149	152	149	192
Providence	153	151	159	171
Middle Atlantic	84	88	85	100
Albany	208	219	239	413
Allentown	388	376	395	390
New York	55	58	56	66
Philadelphia	70	79	68	86
Pittsburgh	96	101	100	101
Rochester	105	112	91	98
Syracuse	169	172	171	150
East North Central	105	110	105	105
Chicago	105	110	110	115
Cincinnati	176	175	179	164
Cleveland	72	80	71	70
Columbus	169	183	171	185
Dayton	94	98	92	89
Detroit	60	65	58	59
Gary	198	207	197	174
Indianapolis	129	132	129	115
Milwaukee	101	95	88	89
Toledo	129	144	140	132
West North Central	98	105	94	105r
Kansas City	129	132	118	153
Minneapolis	89	96	86	95
Omaha	179	180	168	164r
St. Louis	67	78	68	71
South Atlantic	219	221r	211	228r
Atlanta	276	267	256	293
Baltimore	272	273	266	273
Charlotte	204	212	207	215r
Jacksonville	222	225	231	228
Miami	170	177	172	164
Richmond	130	154	139	163
Washington, D.C.	N.A.	196r	180	207
East South Central	175	193	189	178
Birmingham	176	195	196	174
Knoxville	321	337	322	306
Louisville	N.A.	N.A.	107	96
Memphis	134	155	140	143
Nashville	226	250	257	246
West South Central	186	181	174	182
Dallas	147	147	145	156
Houston	290	262	255	268
New Orleans	126	129	126	125
Oklahoma City	111	124	116	114
San Antonio	153	157	142	156
Tulsa	143	156	145	134
Mountain	337	319	304	336
Denver	216	225	202	210
Phoenix	460	406	401	481
Salt Lake City	399	378	366	375
Pacific	263	271r	250	254
Los Angeles	169	178	165	180
Sacramento	484	524	522	470
San Bernadino	340	318r	261	307
San Diego	666	675	571	569
San Francisco	262	269	262	252
Seattle	287	284	267	250
Percentage of papers with rising volume	22	86	20	59
Unemployment rate	5.4	5.3	5.4	5.9

Note: For definitions and method, see Noreen Preston, *The Help-wanted Index* (New York: The Conference Board, 1977).
r—revised N.A.—not available

Help-wanted Advertising and Unemployment



* Source: Center for International Business Cycle Research, Columbia University.

CONFERENCE BOARD INDEXES OF CONSUMER CONFIDENCE AND EXPECTATIONS

Indexes, 1985 = 100
(Seasonally Adjusted)

Consumer Confidence Index

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1985	102.0	103.1	96.1	104.4	99.6	102.6	103.2	100.9	96.0	96.1	98.1	98.2
1986	96.9	96.0	95.1	100.0	100.2	100.0	97.5	91.7	89.7	85.9	89.7	93.2
1987	85.4	91.8	95.8	97.4	103.0	102.1	105.8	110.7	115.7	115.1	100.8	107.7
1988	109.9	114.9	112.7	115.7	120.2	115.7	113.5	119.7	110.7	116.9	112.9r	119.8p

Expectations Index

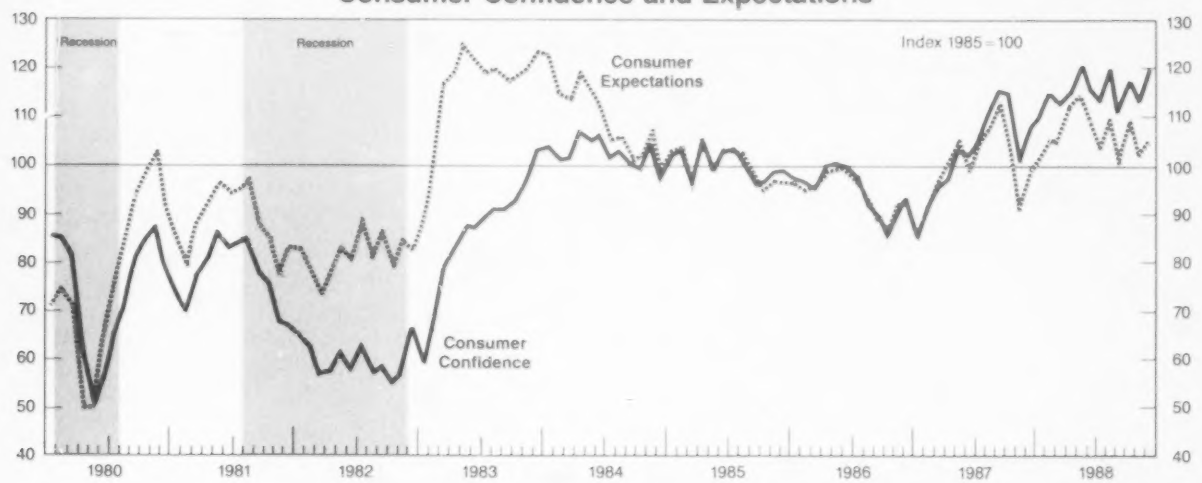
1985	102.5	103.9	95.9	105.1	99.6	102.7	102.5	102.1	96.3	94.5	96.8	98.2
1986	96.3	94.4	95.5	99.0	99.4	99.7	96.4	92.0	89.4	86.1	92.0	92.2
1987	85.6	91.6	96.8	100.5	105.6	98.2	105.6	107.5	112.5	108.9	90.9	99.6
1988	102.2	105.5	104.9	112.8	114.4	108.6	103.7	109.4	100.1	109.3	102.0r	105.3p

Confidence Index measures consumer optimism in appraising economic conditions. Expectations Index, (charted below), measures consumer attitudes with regard to business conditions and employment and income levels six months hence. Data prior to May, 1981 based on survey of families. Data after May, 1981 are based on survey of households. A description of these indexes appears in The Conference Board RECORD, September, 1973.

Surveys are conducted by National Family Opinion, Inc.

p—preliminary r-revised

Consumer Confidence and Expectations



CONFERENCE BOARD ESTIMATES OF CAPITAL APPROPRIATIONS AND EXPENDITURES BY MANUFACTURERS AND INVESTOR-OWNED UTILITIES

Billions of Dollars, Seasonally Adjusted

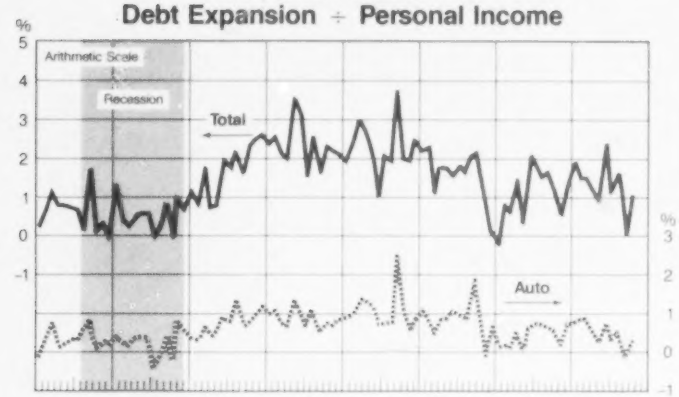
	1987				1988			Percent Change From Previous Year	
	I-87	II-87	III-87	IV-87	I-88	II-88(r)	III-88(p)	Actual 1988	Estimate 1989
1000 LARGEST MANUFACTURING FIRMS									
New appropriations	21.441	32.257	29.561	35.909	30.846	40.686	39.092	23%	5%
Capital expenditures	20.801	25.933	27.381	29.820	29.412	31.718	33.548	26	18
Change in appropriations backlog*	-0.550	5.460	0.080	3.510	0.650	8.760	5.090		
Durable Goods									
New appropriations	9.746	16.515	17.208	20.245	14.310	20.261	19.907	20	21
Capital expenditures	11.124	14.006	13.970	16.037	15.780	16.910	18.346	26	24
Change in appropriations backlog*	-2.070	2.310	2.930	3.510	-1.600	3.670	1.420		
Nondurable Goods									
New appropriations	11.695	15.742	12.353	15.664	16.536	20.425	19.185	25	-4
Capital expenditures	9.677	11.927	13.411	13.783	13.632	14.808	15.202	26	13
Change in appropriations backlog*	1.520	3.160	-3.010	-0.300	2.250	5.090	3.670		
ELECTRIC & GAS UTILITIES									
New appropriations	6.528	5.605	5.174	6.286	8.083	4.439			
Capital expenditures	7.662	7.072	7.771	6.590	6.857	6.620			
Change in appropriations backlog*	-0.720	-1.610	-2.840	-0.430	1.235	-2.630			

Available on request: Historical data from 1953 (manufacturing) and from 1958 (utilities), and quarterly reports containing text and data for 17 separate manufacturing industries, electric and gas utilities.

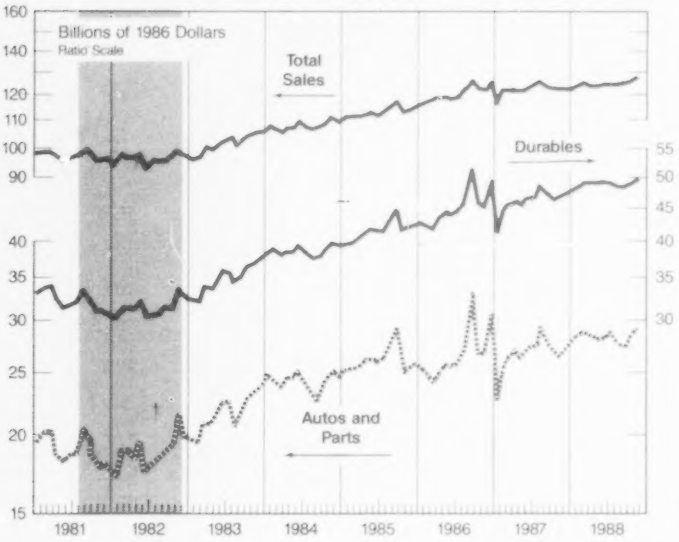
r—revised p—preliminary

* Change in Backlog = New Appropriations – (Expenditures + Cancellations and Other Adjustments).

Consumer Installment Debt Expansion ÷ Personal Income



Retail Sales



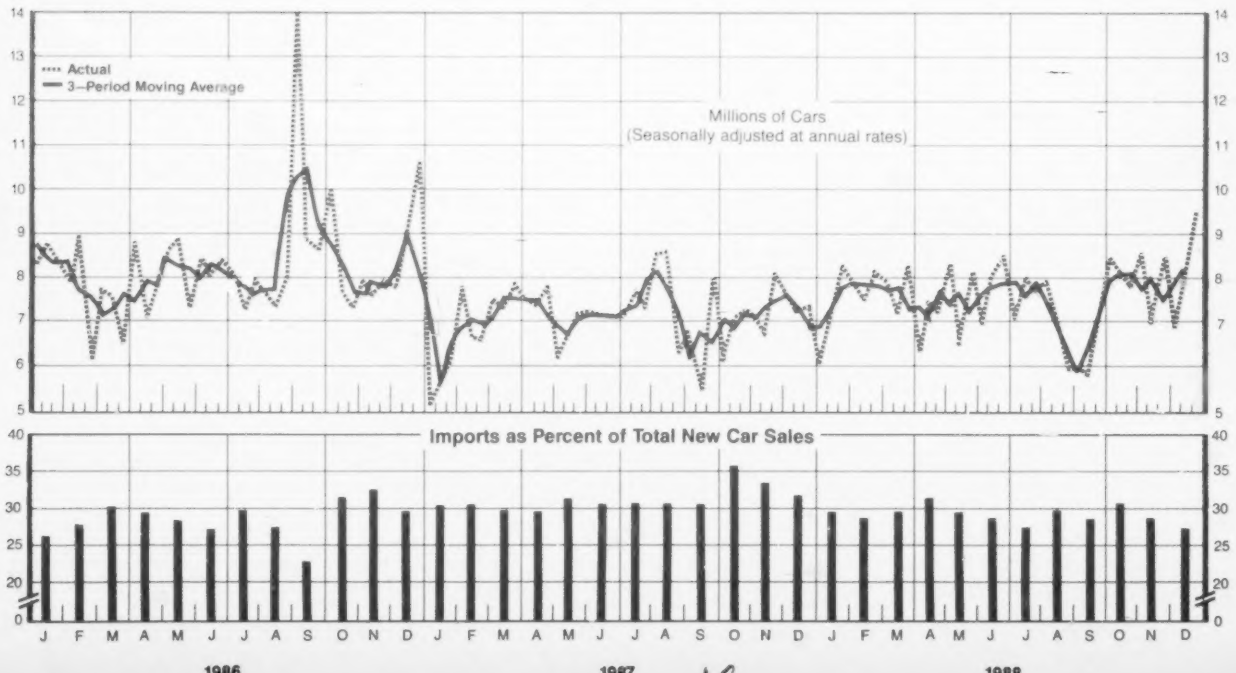
CONFERENCE BOARD ESTIMATES OF NEW AUTO SALES, BY 10-DAY PERIODS

Millions, Seasonally Adjusted at Annual Rate

Periods		1985	1986	1987	1988
January:	1-10	9.13	8.37	5.15	6.06
	11-20	7.40	8.74	5.52	7.29
	21-31	8.47	8.26	6.13	8.25
February:	1-10	7.56	7.88	7.76	7.83
	11-20	8.06	8.95	6.64	7.44
	21-28(29)	8.29	6.15	6.58	8.17
March:	1-10	8.01	7.69	7.53	7.81
	11-20	9.14	7.57	7.27	7.13
	21-31	8.30	6.52	7.81	8.28
April:	1-10	8.55	8.79	7.48	6.33
	11-20	9.23	7.06	7.34	7.43
	21-30	8.24	7.75	7.76	7.23
May:	1-10	7.90	8.62	6.16	8.36
	11-20	9.08	8.86	6.66	6.53
	21-31	8.23	7.33	7.19	8.12
June:	1-10	8.42	8.48	7.21	6.88
	11-20	7.70	8.04	7.13	8.00
	21-30	6.90	8.39	7.09	8.48
July:	1-10	7.44	8.10	7.10	7.02
	11-20	7.90	7.28	7.68	7.99
	21-31	7.57	7.97	7.29	7.69
August:	1-10	7.10	7.63	8.55	7.95
	11-20	7.44	7.34	8.60	7.01
	21-31	9.17	8.08	6.26	5.92
September:	1-10	10.23	14.00	6.74	5.93
	11-20	8.68	8.83	5.45	5.80
	21-30	10.35	8.62	8.03	7.40
October:	1-10	8.19	10.04	6.13	8.43
	11-20	7.50	7.67	7.10	8.08
	21-31	7.74	7.27	7.24	7.78
November:	1-10	7.53	7.96	7.15	8.55
	11-20	7.13	7.59	6.68	6.97
	21-30	7.51	7.89	8.09	8.46
December:	1-10	7.37	7.75	7.60	6.84
	11-20	6.88	8.77	7.22	8.31
	21-31	9.10	10.68	7.31	9.54

Note: Dealer sales exclude exports and foreign-model cars (unless manufactured domestically.) Data from Ward's Automotive Reports are seasonally adjusted by The Conference Board. Prior data available upon request.

Domestic—Model Car Sales


Actual
3-Period Moving Average
Millions of Cars
(Seasonally adjusted at annual rates)
Imports as Percent of Total New Car Sales
J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D
1986
1987
1988